

MINUTES
SPECIAL CITY COUNCIL MEETING
BUDGET STUDY SESSION

JUNE 3, 2003

The Special City Council meeting of June 3, 2003, was called to order at 6:10 p.m. at the Rolling Hills Estates City Council Chambers, 4045 Palos Verdes Drive North, Rolling Hills Estates, by MAYOR RAUCH.

ROLL CALL

City Council Members Present: Addleman, Mitchell, Rauch, Seamans*, Zuckerman**

*COUNCILWOMAN SEAMANS arrived at 6:25 p.m.

**COUNCILMAN ZUCKERMAN arrived at 6:20 p.m.

City Staff Members Present: Douglas R. Prichard, City Manager

Sam Wise, Assistant City Manager

Andy Clark, Community Services Director

Greg Grammer, Administrative Analyst

Jud Norrell, Finance Director

David Wahba, Planning Director

AUDIENCE ITEMS

Ken Dyda, President, Peninsula Seniors, thanked the COUNCIL for their continuing support. He requested a donation of \$2,000 for their organization which is now based on a per capita basis per city. He then invited everyone to a Town Hall meeting scheduled for July 30 at Hesse Park to unveil their plans for a new senior center.

Libby Aubrey, President, School of Champions, requested a donation in the amount of \$8,000 to fund their High School League Cycling Team beginning this fall. She noted these funds would go primarily towards retaining instructors.

ITEMS FOR DISCUSSION

Review of Proposed Fiscal Year 2003-04 BUDGET AND FISCAL YEAR 2004-05 Budget

City Manager Prichard provided an extensive overview of the process and assumptions

underlying the creation of the proposed zero-based Fiscal Year 2003-04 Budget which provides a basic level of service with an add-back list for COUNCIL consideration. He noted that, since the City has accumulated a sizeable surplus over the years, COUNCIL may wish to consider when and how to utilize these "rainy day" funds for operating contingencies if necessary. With regard to the Vehicle License Fee issue, a State Budget contingency designation was created to cover any shortfall that may result if the State impacts City funds. City Manager Prichard stated that the City is in a stable position at this time.

Discussion ensued regarding the Citizens Option for Public Safety (COPS) funding. City Manager Prichard noted that if the COPS funding is eliminated, the City may have to backfill from the General Fund or consider elimination of the CORE Deputies. Additionally, it was noted that the City of Rancho Palos Verdes may reduce their CORE Deputies from two to three due to elimination of federal funding. With respect to the Student and the Law classes, COUNCIL preferred to focus more on retaining the CORE Deputies. City Manager Prichard noted that until Rancho Palos Verdes makes a final decision, the City will assume there are three deputies and continue with the classes. If they choose not to fund the third deputy, the City will discuss this further with the City of Rolling Hills. Any additional monies saved could possibly be utilized for supplemental traffic enforcement.

Discussion continued regarding the AB 1221 sales/property tax shift and how it may affect the City. COUNCILMAN ADDLEMAN noted that the City receives 1% of sales tax.

City Manager Prichard reported on capital projects scheduled for next year which include street resurfacing for Dapplegray and Strawberry Lanes along with ADA improvements for City Hall and park restrooms. He was pleased to note that these projects could be completed while still maintaining a reserve over \$150,000 per COUNCIL policy.

Discussion continued regarding JPIA accepting a partial deposit for cities struggling with increased insurance benefits to be repaid over the next four years as part of the rolling retroactive payments. City Manager Prichard noted this arrangement may not be needed as the City is presenting a balanced budget for next fiscal year.

Highlights

City Manager Prichard reported on the projected current year operating surplus of \$210,000 which is primarily due to cost-cutting measures implemented at mid-year.

For the coming year, items included: 1) An increase in general policing costs by \$80,000 as deputy rates will increase as will the City's percentage share of the region; 2) An increase of \$10,000 which is the City's share of costs regarding the National Pollutant Discharge Elimination System/Total Maximum Daily Load (NPDES/TMDL) requirements; and 3) Retention of a consultant for the upcoming residential refuse franchise.

Assistant City Manager Wise reported briefly on sewer maintenance that may be required and the possibility of conducting a sewer study.

COUNCILMAN ZUCKERMAN requested staff follow up on whose responsibility it is to maintain the various sewer lines throughout the City.

Finance Director Norrell proceeded with an overview of the exhibits noting that the City experienced a 6% increase in sales tax in the current fiscal year. He then reviewed Exhibit A regarding estimated revenues.

COUNCILMAN ZUCKERMAN commented that the City may wish to consider increase in the property transfer tax at some point in the future.

Finance Director Norrell then went on to review Exhibit D. Brief discussion ensued.

Finance Director Norrell then went on to review Exhibit F.

Brief discussion ensued regarding continued funding for the Chamber of Commerce. It was the consensus of the COUNCIL to leave the contribution amount intact.

Discussion continued regarding donation requests from the Peninsula Seniors the School of Champions.

MAYOR PRO TEM MITCHELL moved, seconded by COUNCILMAN ADDLEMAN

TO ACCEPT THE BUDGET AS PRESENTED ADDING BACK ALL ITEMS ON BOTH LIST A AND B AND APPROVE A DONATION OF \$2,000 FOR THE PENINSULA SENIORS AS REQUESTED.

Brief discussion ensued regarding the amount awarded last year of \$2,500 as opposed to this year's request of \$2,000 to the Peninsula Seniors. A substitute motion was then offered.

COUNCILWOMAN SEAMANS moved, seconded by MAYOR RAUCH

TO ACCEPT THE BUDGET AS PRESENTED ADDING BACK ALL ITEMS ON BOTH LIST A AND B AND APPROVE A DONATION OF \$2,500 FOR THE PENINSULA SENIORS.

THERE BEING NO OBJECTION, MAYOR RAUCH SO ORDERED.

Discussion continued regarding location of the City Celebration. COUNCILWOMAN SEAMANS voiced her desire for holding this event at Ernie Howlett Park. She requested a cost comparison between Ernie Howlett Park versus the Empty Saddle Club. It was the consensus that Empty Saddle provides a more intimate setting. Concerns were expressed regarding a scaled back event at Ernie Howlett Park as the community may expect booths, rides, etc., from previous years and be disappointed. After brief discussion, it was the consensus of the COUNCIL: 1) To scale back this year's City Celebration to only a barbecue dinner and entertainment, along with the customary equestrian events; 2) To investigate parking along Hawthorne Boulevard at Ernie Howlett Park; 3) To notify Conte Productions that the City is discontinuing their services, but ascertain whether Mr. Conte might be willing to provide other limited services; and 4) Bring back these items for COUNCIL consideration.

MAYOR RAUCH inquired as to the proposed specific plan for Deep Valley Drive. Brief discussion ensued with the consensus of the COUNCIL supporting this plan.

Discussion continued regarding the donation request from the School of Champions.

MAYOR PRO TEM MITCHELL moved, seconded by COUNCILMAN ADDLEMAN

TO DENY THE \$8,000 DONATION REQUEST FROM THE SCHOOL OF

CHAMPIONS.

THERE BEING NO OBJECTION, MAYOR RAUCH SO ORDERED.

ADJOURNMENT

There being no further business before the CITY COUNCIL, MAYOR RAUCH adjourned the meeting, the time being 8:52 p.m.

Submitted by, Approved by,

Hope J. Nolan Douglas R. Prichard

Deputy City Clerk City Clerk